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Public Property in Private Hands

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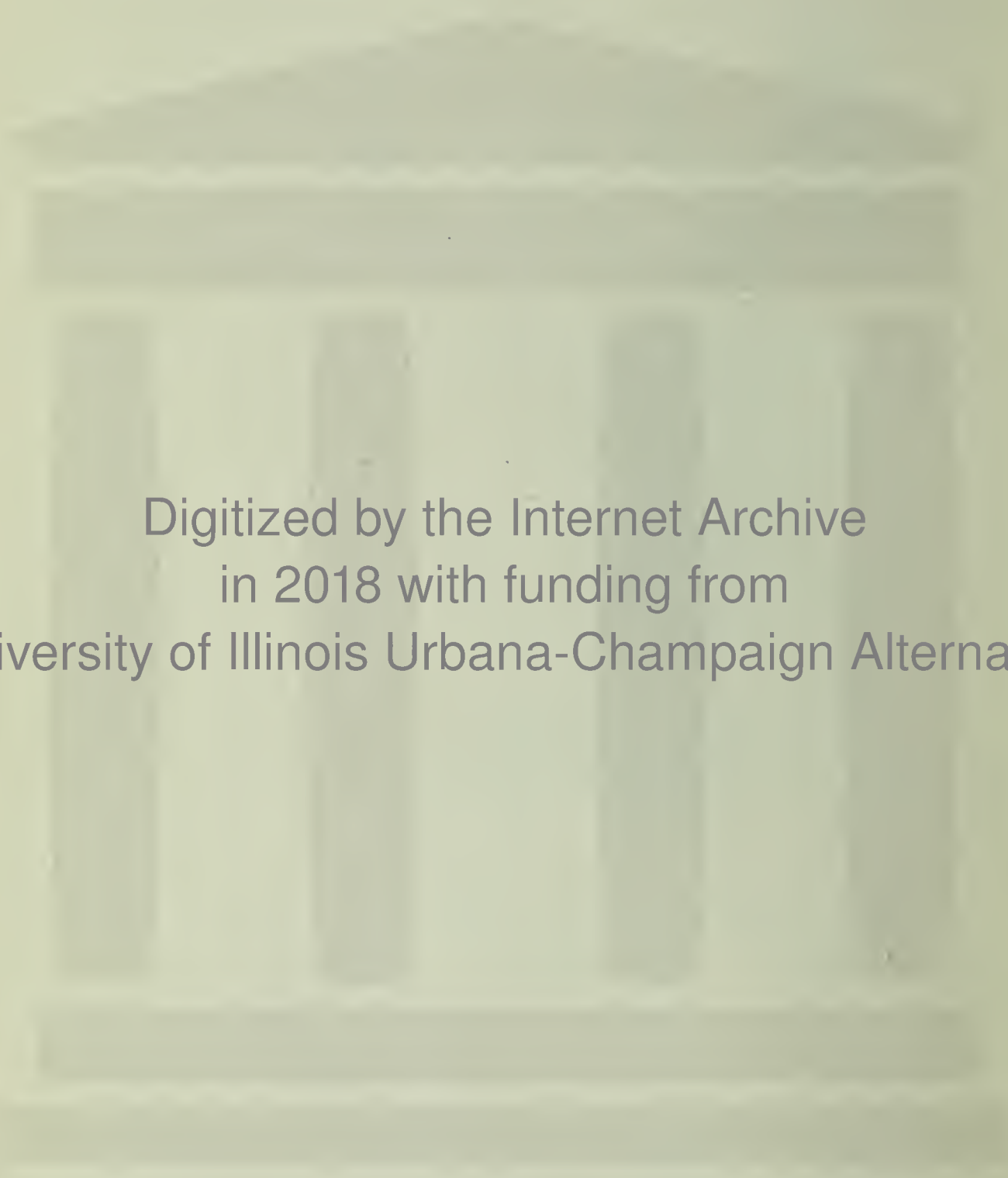
BY

CARTER H. HARRISON

MAYOR OF CHICAGO



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Public Property IN Private Hands

BY CARTER H. HARRISON, MAYOR OF CHICAGO

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By Mayor Harrison.

27 May 12 8 6 a.
Twenty years ago municipal ownership of public utilities was commonly regarded as a chimera, as the impractical and fanciful dream of the socialist and theorist. Then it was looked upon as a visionary scheme, pretty and attractive in theory, but too vague and elusive to stand the test of actual practice. To-day it is a practical, definite business proposition, appealing forcefully to each citizen whose judgment is unbiased by ownership of stocks, bonds and other securities, or whose personality is unaffected by the hypnotic influence of such interests, as the one common-sense method of handling in the not distant future a vexatious problem.

The owner of blocks of stocks and bonds and the speculator in market securities still sees, or fancies he sees, or, as is much to the same purpose, claims he sees, in municipal ownership what with jaundiced judgment he is pleased to term a phase of anarchy.

Four years of experience in public life have taught me a full appreciation of the many ways in which the public spoliator finds it possible to apply this elastic term of anarchy. Every effort to give fair treatment and justice to the plain every-day citizen, if it touch the wallet of the financier, is at once dubbed anarchy, and the innocent-minded, whose condition the effort has been made to improve, is asked to condemn it as such. For generations the guileless public has made a handful of its fellows the beneficiaries of franchises to use public property for private gain, either altogether without reciprocal obligation or with obligations quite incommensurate to the advantages they have enjoyed.

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These franchises for many years have been exercised without a word of protest. For so long has the use of public property for private gain been enjoyed as no more and no less than a rightful personal advantage that at length the franchise holder has come to look upon his title as the king or emperor looks upon his right to rule. To his seeming way of thinking the title sprang originally, not from the heedlessness of the public, but from a species of divine origin; and

opposition smacks almost of blasphemy. Kings and emperors rule *Dei gratia*; by a kindred grace of God the street-railway magnate, the gas magnate, the telephone magnate, the electricity magnate and all the other magnates would seem to claim their public grants.

These grants have been held some for decades, some for generations. They have become the patents of nobility of our American moneyed aristocracy. To-day it has come to a pass when, according to the lights of many, to deny in words their justice is dubbed inciting the people to riot; to deny in act is to raise the red torch and to wave the red flag of anarchy. For years the whole public had accepted these conditions without a murmur. The patience of the public and especially the American public, it may be said paranthetically, is so long and so enduring as to merit being turned into a proverb. The explanation, if any be needed, may be found in this, that these franchises have been held by the first citizens of each community; their general reputation for uprightness and fair dealing has served as a cloak behind which the schemer and the promoter have worked secretly, industriously and in perfect security.

THE SYSTEM ALREADY TESTED ABROAD.

Gradually word came to the ears of the plain citizen of this country that in the cities of Great Britain and of the Continent public ownership was not looked upon as a dream, nor were its advocates denounced as enemies of organized society. The Anglomania of the rich, the aping by the franchise-holding coterie of the dress, the manners, the ideas of the little tight isle, the marriages of its daughters to the scions of English families, the rush of many of its members for homes among and companionship with England's people, might have served as excusable incentives to the every-day citizen to practice a little Anglomania in public ownership on his own part, if any incentive, other than the beneficial results to be obtained, were needed.

He learned that in the capitals of Europe, where advanced municipal thought favored public ownership, practical business sense was putting it into operation. He found it not only considered right in theory, but actually working well in practice. The more he studied the question the more favorably he came to look upon

it. He weighed the arguments in its favor and found them convincing; he analyzed the arguments against it and found them false and misleading. As a result of his studies and observations the thoughtful citizen of to-day looks to municipal ownership as the certain ultimate method of handling practically and sensibly the public utilities of a municipality.

The claim that the theory under discussion is a species of anarchy is too absurd to demand more than cursory mention. A single statement should suffice to explode so threadbare an argument. Glasgow is not an anarchistic city nor is the canny Scot in general considered either wildeyed or visionary. By common consent he is adjudged a shrewd, level-headed man, with more of logic in his mental make-up than of poetry—though he lacks not the latter—and with a greater love for the dollar than for unproductive, though rosy tinted, dreams. In Glasgow public ownership has advanced to the stage where the city owns and operates, to the satisfaction of the user as well as to the profit of the municipality, not only the water system, but the street cars, the gas works and the telephone system. Yet it has not so far been claimed, even in the most ultra of financial circles, that the metropolis of the Land of the Heather is flying the red flag of anarchy. Investigation rather develops the information that the rates charged to the public for the service are low, while the profits to the public resulting from public operation are so great that taxes have reached their low-water mark.

Greater force is found in the argument that public ownership would result in a standing army of city employees who, because of the method of their appointment, would prove unsatisfactory servants, and who, on account of their number, would control city elections.

These are queer arguments, however, to be propounded by the beneficiaries of the present system of public franchise grants. No greater number of employees would be employed by any given utility, operated under public ownership, than is employed to-day under private ownership. This is, or at least it would seem to be, a self-evident proposition. Nor would the taking of a utility under public owner-

ship put its employees in politics to any greater extent than they are to-day. This is a self-evident proposition, to the initiated at least.

Patronage has been dubbed the curse of politics. It is certainly the bane of the average politician. When a political victory has been won by an alderman or a councilman he is at once beset by the hungry faithful for a share of the spoils of war. There are many more applicants for the jobs in the municipal gift than there are jobs to be given. The alderman-elect is supposed to be in favor with the public-service corporations because of favors to be asked and favors to be granted. The corporations are anxious to serve the new official—and, incidentally, to place him under obligations. The faithful political worker is persistent in his appeals for what he and his friends call “recognition.” Recognition, in the political dictionary, means a tangible reward for work done—in other words, a job. A call or two at the general offices of the corporation, a letter or two, and for the new official a troublesome visitor has been disposed of.

PERNICIOUS ACTIVITY OF SOME CORPORATIONS.

Nor is it only in the method of their appointment that employees of public-service corporations may be said to be in politics. Common report asserts that not infrequently these corporations become very busy about election time. The charge has been made in Chicago, for instance, that a certain election has been won or lost by what is called “the car-barn vote.” From the very nature of things public-service corporations have both friends to assist and enemies to punish. Corporations may have no souls, but their managers at times have very long memories, marvelous faculties for harboring a grudge, and very long knives to sheathe in the backs of those who have stood in their way. Municipal elections are in these days expensive affairs, and corporations, it is said, frequently find it to their interest to make large donations of funds to the side in which they are interested.

I have known of several local elections in which word has gone forth from certain corporation offices that one ticket should receive the support of its employees and that another ticket should be knifed. A barn-boss has been accused of sending for the employees to tell them what the company expected. The employees have been handed lithographs which they were ordered to place in their windows and

buttons which they were ordered to wear on the lapels of their coats. They have been told their prosperity hangs upon the outcome of the election, and they have been advised in no uncertain manner on which side of the slice of bread the street-car butter was spread.

In short, the employees of the companies enjoying public grants are as much in politics to-day and are as dominant political factors as could possibly be the employees of a municipally operated utility, even were the latter to be appointed under the old-time spoils system. I have always held that the prerequisite of municipal ownership of any utility was a fast, firm, rigid civil-service system under which men were selected for their merit, retained for their good behavior and advanced for their ability. If merit be the test for original appointment and ability, as well as faithful service the measure of after-advancement in the service, the employees under municipal domination would have but little time to do more than to exercise their right of citizenship: to vote.

To those who fear municipal operation and its fancied dangers the advocate thereof comes with reassuring words. It is both possible and practicable to have ownership of utilities without operation of them. Take the street-car utility as an example. A city may reserve to itself the ownership of rights-of-way and lay the rails along them, and then lease to the highest bidder at public auctions held at stated intervals the right to operate upon those rails tramway cars subject to certain preimposed conditions. This is the Toronto system and constitutes actual public ownership. It works to the satisfaction of the citizens of the busy Canadian city, we are told; and I, for one, fail to see the prints of the red hand of anarchy anywhere upon it. Public ownership, properly administered and correctly applied, would not lead to the improper influencing of elections by the creation of a standing army of employees; rather may it be asserted, the system would reach farther toward a purification of politics than any advance step in the conduct of municipal affairs that could to-day be suggested.

THE DEBAUCHERY OF PRESENT CONDITIONS.

The curse of American public affairs may be found in the prevailing system of so-called machine politics, in boss rule, and in the

attending improper influencing and debauching of public officials. There are few cities in the nation in which the tongue of scandal has not been busy at times, if not at all times, in charging corruption and debauchery against the legislative branch of their government.

Nor do municipal executives go altogether scot-free. Executives have been charged with securing for their own ends, their individual gain and profit, the passage of ordinances creating franchises of all characters and descriptions. Aldermen have been charged with profiting by these grants. The very granting of public franchises opens wide the doors to undue influence and improper motives. Aldermen are frequently assailed as being in the market offering their votes to the highest bidder when a plum in the shape of a franchise is to be bartered away; even more, they are charged at times with being unwilling to vote for any measure, no matter how meritorious it may be, if, directly or incidentally, it concerns a company operating under a public franchise—unless it may be made worth their while so to vote.

These charges have been bandied about with so much of freedom, and in many cases with so firm a basis of justice, that in the eyes of the super-suspicious the holding of public office is of itself almost a badge of corruption. Thus public morals are being undermined. Personal honesty and private integrity will not long survive general doubt of the existence of public and official morality. Individual honesty and official integrity are closely correlated; indeed the two virtues are inseparable. The one is an absolute index to the other. Public morals weaken and finally fail when private morality is at a low ebb; private morals reflect with all its shameful ugliness debauchery in public life.

Party politics in large cities, constituted as it is to-day, revolves largely about a centre of corruption. Officials, whether of high or low station, are the constant target of temptation. Read the files of the daily newspapers. If a tithe of the charges be true, inspectors and other minor employes have been lured from the straight and narrow path of duty; chiefs of bureaus and department heads have been blind to their public obligations; councils, with flagrant and notorious contempt of public opinion, have bartered away public rights; execu-

tives have nodded when great magnates have beckoned; taxing bodies have ignored the law and defied public opinion that corporation taxes might be scaled down to a minimum; court bailiffs have become the hirelings of corporations in debauching trial by jury; judges have inclined their ears attentively to the voice of temptation; juries, packed for ulterior purposes, or corrupted after impaneling, have, false to their oaths and recreant to their duty, thrown the law and the evidence to the winds.

All this awful arraignment of conditions as they exist in many of the great municipalities of the land is directly and inevitably traceable to the influence of the beneficiaries of public franchises. The picture is not drawn for the sake of misrepresentation of facts nor to pander to the sensational. The columns of the daily press in New York, in Chicago, in Philadelphia, if hastily scanned for the past six months, will furnish established cases to prove the truth of each charge. The disease exists; the duty of the patriotic citizen lies first in finding the remedy and then in applying it, no matter how heroic it may be.

A SUCCESSFUL CRUSADE AGAINST BOODLE.

Chicago to-day is in a period of revival; for a generation or more there was indifference and resulting decline. The public slumbered in apathy and public morals suffered. Finally there came an awakening, due in large measure to a high moral tone in the daily press, as well as to the tireless and for a time thankless labors of public-spirited associations. All that was needed was to arouse the public from its lethargy. And so it has come to pass that the people's eyes are open, and the first demand made upon a city official is that he look to the public as his master and not to the managers of great corporations. For the past decade public opinion has waged a fierce and unrelenting warfare against what is known as boodle in politics. For its first fruits the city has obtained an honest city council. To-day the crusade is already on for an honest legislature.

Why should such crusades be necessary? Think of the shame of it! Chicago, the most progressive of American cities, the one great city which has rescued its city council from corporation thralldom obliged, at the dawn of the twentieth century, to battle for honesty in the body that makes the laws of the State!

Were public ownership of public utilities desirable on no other grounds, in the widespread debauchery of public servants by existing corporations could be found good and ample reason for the innovation.

Theorists make much of the argument that a private company can operate with greater economy than would be possible under a system of public ownership. Theorists delight in the abstract; the practical man likes to reduce a theory to a concrete condition. As an abstract theory this argument has a convincing sound; let us see how well it works out in practice. Economy of operation means increase of profit. Increase of profit may be applied to betterment of service, to reduction of price, to increase of wages, or to enlargement of dividends. The first three applications might be obtained under public ownership; the last is the almost inevitable result under private ownership.

For the sake of getting at concrete facts let us consider conditions as they exist in the management of street car companies. In what city of the land are patrons provided with additional seats for the bare reason that the income of the company is on the rise? It is a well-established fact that standing room is easy and cheap; and it is an axiom in the directors' room of a street car company that the fare of each man who hangs on a strap is, in the language of a poker player, so much pure velvet. How often are additional transfers given as a voluntary contribution of the directorate to the public which pays the freight? To increase the number of transfer stations means a corresponding reduction of profit. How often are fares reduced merely because a large surplus is burdening the treasury? The street car manager, in his zeal for the public good and with a charming ingenuousness, tells how troublesome it is to the public to handle anything smaller than a nickel fare. Making change wastes the dear public's time, and besides, pennies are such difficult coins to handle. The pay of employes is not increased to-day except when long and disastrous strikes have destroyed valuable property, cost many lives, demoralized the public with a face-to-face acquaintance with the evils, the horrors, the tragedies of a riot.

Betterment of service, reduction of fare, increase of wages might

be obtained under public control; under private management new stock is issued, false bond issues are marketed, barrels of water are poured into the securities, and dividends and interest money are paid thereon.

If public management should prove uneconomical what would be the cause; Lines would be extended not merely for the earning of money, nor for the purpose of shutting out possible competition, but to suit the convenience of the public. There might be lack of judgment, or a too easy complacency in extending feeder lines into unproductive territory; such extravagance would be more than made up by the miles and miles of rail which could be removed in almost any city from streets where the iron has been laid for no other purpose under the heavens than to prevent some rival company from obtaining a competing right-of-way.

Wages would be a fair compensation for a fair day's work, and the surplus earnings would apply toward the lowering of general taxation, toward providing for the necessities and the giving of a few luxuries to the people at large, not as under private ownership, toward swelling the bank accounts of already overrich stockholders. Figured to its ultimate solution public ownership would mean the profit of the many rather than the profit of the few. Under it the reason for the watering of stocks would disappear. Huge bulks of securities would no longer be saddled on an unsuspecting public. A hard blow would be struck at the speculative world perhaps, but it is doubtful whether any lasting disturbance of its nerve centres would ensue, or whether anything but a permanent benefit to legitimate business ventures would be the result.

The situation might be summed up something after this fashion: Public ownership once correctly established would be a godsend to our municipalities in particular, as well as to the nation at large. As an absolute prerequisite, however, public ownership demands the establishment of a stable civil-service system, sufficiently rigid to prove a bar to the introduction of political methods, sufficiently elastic to permit the recognition of efficient service and the giving of adequate reward.

In short, the first effort of those who believe in public control

should be directed toward the establishment in every municipality of a genuine, common-sense, business-like civil service system, free from the frills, the furbelows, the ultra refinements of the professional reformer; a service which will make merit the sole ground for original appointment and merit the sole stepping-stone to advancement.

Without a proper merit system, so firmly established as to be a guaranty of efficient and honest service, public ownership would be a curse to the community in which it was given trial; with such a civil service installed for a sufficient space of time to weed out the bad and nurture and strengthen the good it would mean better service, a cheapening of cost to the public, recognition of the people's rights, a betterment of the condition of the employes. Last but not least, it would go far toward securing for a municipality freedom from gang politics, with its attendant evils of boss rule, boodle legislation and public spoliation.

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